



California Board of Forestry and Fire Protection

Public Scoping Hearing No. 2:

Draft Permanent SRA Fee Regulation

STAFF SUMMARY OF ORAL TESTIMONY

Meeting Date and Location: May 23, 2012, Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding, California.

Board Members and Staff Present: Board Chairman, Stan Dixon; Board and Resource Protection Committee Member, Jim Ostrowski; Executive Officer, George Gentry; Regulations Coordinator, Eric Huff.

Speakers: Les Baugh, Shasta County Supervisor (District 5); Wendt Otto, Trinity County Supervisor (District 5); Jim Holmes, Placer County Supervisor (District 3), Board Member-Rural County Representatives of California (RCRC); Bob Williams, Tehama County Supervisor (District 4); Michael Decker; Stan Leach; Ray Weiss, Forbestown Ridge Fire Safe Council; Patricia Heinsohn; Kate Dargan, California Fire Safe Council; Mike Ricks; Arnold Sargent; Cal Mahaney; Bruce Waggoner; John Livingston; June Cooper; Tom Mohler; Elizabeth Woodward; Jan Hanks (sp?); Scott Swendeman (sp?).

Summary of Comments:

- Claim of extreme poverty; SRA Fee is morally and ethically wrong; claim of home loss if forced to pay SRA Fee; question about fee payment versus grant return.
- Shasta County Board of Supervisors' unanimous opposition to SRA Fee and support for efforts to repeal enacting statute. Nothing short of complete repeal of illegal tax is acceptable.
- Fees collected may never be returned for services in State Responsibility Areas.
- Howard Jarvis Taxpayers Association has declared the SRA Fee an illegal tax and their intent to file suit upon mailing of the first SRA Fee bill to a property owner. It is hoped that every California County affected will join in the lawsuit.
- The only thing needed less than this illegal tax is another layer of bureaucracy necessary to collect, administrate, and govern the tax.

- Department of Finance accounting indicates that there will be no money available for return to local governments to support fire prevention projects until at least 2017-2018 Fiscal Year.
- Cal Fire's cost of response to emergencies in urbanized areas, the Oakland Hills fire for example, is higher than in rural areas, but the SRA Fee is not imposed on the State's urban residents.
- Senior citizens on fixed incomes will be particularly adversely affected by imposition of SRA Fee.
- Without the assistance of local elected county assessors, there will be in errors in the SRA Fee billing process. I don't believe there is a single county interested in assisting toward the collection of this SRA Fee.
- Prior to the filing of what may be several lawsuits against the SRA Fee, the State will spend exorbitant amounts of money in defense of this indefensible Fee. The State will lose and be forced to repay any and all collected monies that will already have been wasted on needless administrative overhead. Not a penny of this tax will benefit the people of California. Nothing less than repeal of this illegal tax is acceptable.
- Trinity County is one of the two unincorporated counties in the State. Numerous vacation businesses in Trinity County will go out of business as a result of this SRA Fee. Trinity County has one of the highest unemployment rates in the State. Many of the residents of Trinity County live in poverty.
- What is enforcement tool against those who are unable to pay the SRA Fee? It will not be Trinity County's assessor, treasurer/tax collector, or anyone else in Trinity County. A complete repeal of the SRA Fee is what needs to happen.
- If you want to raise State revenues, focus on Timber Harvest Plan lifespan extensions and additional environmental permitting reforms currently under consideration by the Governor and Legislature.
- Will the SRA Fee improve Cal Fire's response time? I would say "no,"
- Will the SRA Fee fund additional Cal Fire personnel? The answer is "no."
- Why do they call this a "benefit fee" when it's actually a tax?
- Property owners in Tehama County pay annual property tax that includes .045 cents of every dollar for fire protection. Imposition of the SRA Fee upon those property owners amounts to double taxation. Property owners who have voted to approve an additional tax assessment to fund a local fire protection district will be triple taxed as a result of this SRA Fee.

- I have heard that a total of 55 new employees will be hired by the State Board of Equalization to collect and administer this SRA Fee. Litigation has been promised when the first bill goes out. What will happen to the Fee collection when the litigation occurs; will the 55 employees lose their jobs; will Cal Fire get the money spent on those 55 employees back? How much will this Fee end up costing taxpayers for no benefit at all?
- Every member of Forbestown Fire Safe Council is opposed to this SRA Fee because it is an illegal and discriminatory tax.
- The Governor and Legislature are test-driving a new fee system structure that will eventually affect urban residents in the form of an earthquake preparedness and/or levee protection fee.
- Support for local fire safe council efforts will dwindle as a result of the imposition of the SRA Fee.
- \$50 million cut to Cal Fire's budget was to General Fund allocation, this SRA Fee is specifically for "fire prevention" programs only. There is concern that suppression funding will therefore be inadequate for protection of life and property.
- Concern that definition of "structure" in SRA Fee regulation will change to include outbuildings, barns, garages, etc. At \$150/structure this would result in excessive annual Fee assessments.
- There should be a provision included in the regulation that would reward and encourage people to make their homes fire safe. If a structure owner passes an inspection in which they demonstrate compliance with a set of minimum fire safe standards, they should receive a discount on their Fee assessment.
- Regulation language indicates that only those counties that are in compliance with State fire safe regulations are eligible for SRA Fee grants. Isn't possible that those counties who are currently out of compliance with State fire safe regulations need the most help—why would you restrict grant funding to their projects?
- Grant funding of projects most often goes to entities with the best grant writer. Board should have maps and studies available to identify problem areas Statewide that would save most amount of property from effects of fire, and direct funding to those areas rather than applying it all to a grant program.
- Legislature is derelict in their duty to provide for fiscal responsibility on behalf of their constituents.

- The idea of an SRA Fee has come up many times over the years, and RCRC has opposed it every time. Repeal of ABX1 29 is best and most fair approach.
- The core concept of an SRA Fee is grossly unfair to rural residents. Cal Fire's most expensive activities are in the urban areas. Targeting citizens in the SRA because they are relatively easy to identify and assess ignores the fact that Cal Fire is a statewide fire and emergency response agency.
- Many residents in the SRA have already assessed themselves for local fire protection. The SRA Fee amounts to double taxation.
- By implementing an SRA Fee, the State is implying that will be taking greater responsibility for fire prevention activities in the SRA. When those services don't materialize and homes in the SRA are destroyed by wildfire, the State could be facing real liability issue as homeowners realize that Cal Fire has not provided real additional prevention services.
- The SRA Fee will disrupt the strong mutual aid system currently in place because it will prevent local fire districts from passing new local assessments in the future. Local fire districts will be much less likely to respond to disasters outside of their districts. SRA Fee will unravel the "respond first, we'll figure out the cost later" understanding between Cal Fire and local districts.
- This SRA Fee has only one "return to source" provision in the form of a grant program. The Department of Finance has estimated that after Cal Fire's budget is backfilled, the remainder of the funds will be eaten up by administrative costs. No funding is allocated to any local grant program until at least the 2017-2018 Fiscal Year. This means that the people paying the fee will receive no additional benefit from the fees collected.
- Public safety is one of the few constitutional requirements of our local government and the citizens of this county pay for fire protection with our property taxes. County residents trust the local government to fiscally manage their money for critical fire protection in rural areas. That this SRA Fee is being imposed only on rural residents is unfair, discriminatory, and a redistribution of wealth. The State is imposing the SRA Fee as part of a unified effort to drive people out of this county under the auspices of "Agenda 21."
- The Board should do what's right and tell the State "no, we are not going to do this [SRA Fee]."
- There are things that can be done to prevent fires in the forest—cutting dead trees, clearing brush, stop closing roads to fire suppression access.

- California Fire Safe Council offered cautious support for the SRA Fee in September of 2011 because the SRA Fee concept is consistent with California Fire Safe Council's mission--though CFSC opposes some of the methods proposed in the SRA Fee regulations.
- Federal, State, and local grant funding dollars for wildfire prevention are disappearing and local fire safe councils will have nothing to request from the CFSC clearinghouse to support local fire prevention programs. Wildfire threat is increasing as funding sources are declining.
- Fire prevention along with suppression response capability is a significant way of saving and protecting structures.
- Hundreds of millions of dollars are spent on suppression resources annually—in some years it reaches a billion dollars spent on the response effort. Some money needs to be spent on fire prevention.
- CFSC supports concept of fire prevention. The Board should make certain that SRA Fee funds are spent on fire prevention, not suppression. It is the right investment in safety. The permanent regulations should strengthen the language of fire prevention at every opportunity. Should the SRA Fee survive litigation, there will no doubt be efforts to take the SRA Fee dollars and move them to other programs. The Board should be one of the “hold-strong-guards” for the fire prevention language consistent with the Board's 2010 Strategic Fire Plan.
- The CFSC believes that the SRA Fee funds must be shared equally with local governments. Both fire districts and local fire safe councils must see a direct benefit from these funds. The CFSC has proposed in a letter to the Board (Governor, Director, etc.) that 50% of the SRA Fees collected be sent right back to the local sources at 25% to local fire districts and 25% to local grants process. 10% at most should be spent on the combined administration of the SRA Fee collection program.
- The CFSC does not support the Board of Equalization's role in SRA Fee collection. Notwithstanding the possible unwillingness to participate in SRA Fee collection, local governments should be the entities responsible for SRA Fee collection.
- If the SRA Fee was imposed as suggested by the CFSC, \$75 million would go back to local governments, fire safe councils, and “Firewise” communities. \$40 million of that total would go back to the RCRC membership rural counties and help replace some of the rural schools money that will not be coming to them in the future.

- CFSC supports the anticipated litigation. The State must prove that this is a fee and not a tax. The way you do that is by showing how the State is delivering the service back to the homeowner who is paying the SRA Fee. If this cannot be done, the Board should abandon the process and start over. It must be proven that there is a benefit for the fee and it must go back to the person that paid it.
- The CFSC encourages the Board to conduct a financial analysis of the cost, solutions, and mechanisms for reducing wildfire risk. There may be inequity in how the SRA Fee is currently proposed. If so, let's determine the cost of fire suppression, prevention, the risks to State and taxpayers, risks to the State's resources, and figure out a better mechanism to accomplish the goal of mitigating the wildfire risk through prevention.
- California Master Mutual Aid agreement
- Fires in rural areas are not necessarily caused by rural residents. They are started by visitors from metropolitan areas, drug cartel members and labs, etc. The beneficiaries of fire prevention and suppression are not just those who live in rural counties, it's all California stakeholders. The burden for fire prevention funding should be extended to those who live in metropolitan areas as well. A more equitable approach should be considered.
- The State will probably expend considerably more monies defending this legislation than will be collected in SRA Fees. To whose benefit will this legislation actually be?
- SRA tax is focused on fire prevention, but those who live in rural areas are more interested in fire suppression. Rural residents already undertake defensible clearance activities in the self-interest of protecting their homes and property. So where would SRA Fees go?
- How would the SRA Fees collected be distributed equitably and for what uses? Rather see fees collected to support fire suppression.
- The SRA Fee is a superfluous effort to bring more money into the State system to support the State's infrastructure. Fees collected will go to administrative overhead costs and then be redistributed to local agencies deemed qualified for grants. Fees collected should go directly to locals rather than to pay overhead before being returned.
- Definition of "habitable structure" is problematic because more than one structure could meet that definition. Residents could be charged for more than one structure if there are multiple structures on the property.

- How much money will be generated by this fee? [YG responded approximately \$85 million.] How much of \$85 million will be used for fire prevention, or protection, or putting out fires? How many new firefighters/employees will be hired from the fees collected? Will these new employees be armed? [YG responded “no.”] Will they be doing defensible space inspections? [YG responded that approximately \$15 million will be spent on new employees. He went on to explain that a portion of the fees collected will be spent on defensible space inspections.] This is an invasion of my privacy and you need to go tell whoever it is you tell that the people are not happy about this SRA Fee.
- Aren’t there huge landowners up in the mountains that will not be required to pay this SRA Fee, like Sierra-Pacific Industries, Roseburg, and Pacific Gas & Electric? [YG clarified that SRA Fee is for structure protection.] It’s not fair that big landowners don’t have to pay even though fires start on their properties. The Fee should be fair and apply to all who receive fire protection, not just rural homeowners.
- Residents outside of the city of Redding in the SRA areas should be and probably are willing to pay for fire protection. Many probably feel that they are not receiving the services for which they pay. But, everybody should pay in proportion to their level of fire protection—timber companies, scout camps, etc. No one can opt out of protection. Either everybody should pay for fire protection and we get it, or we should do away with CDF and no one gets protection. Maybe the entire budget of CDF should be clearly identified. Then based on the assessed value of people’s property, all should pay in proportion to the benefits received.
- Is Board of Equalization already set to collect the SRA Fees? They don’t even have the money from the Fees to get started on collection yet.
- The Forest Service has failed their job. They are not managing our forests. This is 90% of the problem. It’s time to get back to logging.
- We know the government is trying to shut us down. “Agenda 21” is probably part of it, but the other thing is that we have too much government. Now we’ll have more government with the Board of Equalization. It has to stop.
- When we do have a forest fire, we aren’t allowed to clean it up because of environmental concerns—just like Angora Fire example in Tahoe and woodpecker issue.
- This situation is backwards. The Board should go to Governor Brown and demand restoration of the full amount of funding for Cal Fire and the police. The Board shouldn’t be coming to rural residents for this funding. My property isn’t any more of a fire threat than Governor Brown’s penthouse.

- What effect will proposed board foot lumber tax have on Cal Fire's budget? Where will that money go? [YG responded with explanation of interdisciplinary plan review process and allocation of funding to multiple review agencies].
- What will Board do to us if we don't pay the SRA Fee? There will be collection people, right? [YG responded that assumption was that there would be a lien placed on the property].
- Redding was a timber town with lots of good paying jobs and strong family units until the Northern Spotted Owl issue arose. A breakdown on the number of spotted owls indicated that each spotted owl was worth \$9 million. The entire philosophy behind what the Board represents has sucked the life blood out of all of these communities. The family unit is way weakened and unemployment is in the twenties. Every government agency except the Army Corps of Engineers has overreached since the 1970's. The government brings us nothing—you bring us nothing by coming to our town.
- Why can't Board go back and tell Governor and Legislature that we want regulation on our forests to open them up, and we want jobs. We don't want more taxes. We can't afford your tax bill, so don't give it to us. We want work so we can pay for our food and home.

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